



Judd Gregg, Chairman  
Contact: Gayle Osterberg 202-224-6011  
Cara Duckworth 202-224-2574

February 8, 2005

## **SBC HEARING HIGHLIGHTS LOOMING BUDGET CHALLENGES**

WASHINGTON—The nation's current budget policy is not sustainable and threatens the security and lifestyle of future generations, the director of Congress's investigative agency told the Senate Budget Committee today.

"Simply put, our nation's fiscal policy is on an unsustainable course," said David Walker, Comptroller General of the Government Accountability Office (GAO). "Over the long term we face a large and growing structural deficit due primarily to known demographic trends and rising health care costs.

"Continuing on this unsustainable fiscal path will gradually erode, if not suddenly damage, our economy, our standard of living, and ultimately our national security. Our current path also will increasingly constrain our ability to address emerging and unexpected budgetary needs and increase the burdens that will be faced by future generations," Walker said.

Walker provided the committee with an overview of an upcoming GAO report, "21<sup>st</sup> Century Challenges: Reexamining the Base of Government."

The hearing, "Re-examining the Federal Budget for the 21<sup>st</sup> Century," is Part 1 of a planned series of hearings by the Senate Budget Committee, "Long-Term Budget Challenges: Charting Stability for Our Children and Grandchildren."

"The problems we have are 30- and 40-year problems," said Committee Chairman Judd Gregg. "We can't deny it. We can't avoid it. And we need to get ready for it. I hope we have the courage to step up on this. One of my goals is to have a very clear and transparent statement of the liabilities of this government.

Gregg cited the President's effort to tackle the looming Social Security shortfall as an example of the kind of long-term thinking lawmakers should be engaged in.

"Some of these are concerns everyone is familiar with – such as Medicare and Medicaid. There are other obligations that are less well known - but just as real – which will sneak up on us."